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REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS

PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995

Reorganization of the Department of Administration and Management

Report of the Secretary-General

I. INTRODUCTION

1. The Secretary-General submitted to the General Assembly at its forty-eighth session his proposals for the Organization's high-level posts for the biennium 1994-1995 (A/C.5/48/9 and Corr.1 and Add.1).

2. In that report, the Secretary-General set out the concepts underlying his approach towards the exercise of managerial responsibility within the Organization and addressed, inter alia, the management structure of the Department of Administration and Management, including the disposition of the four Assistant Secretary-General posts in the staffing table (See A/C.5/48/9, paras. 10-13).

3. In its review of that proposal, the Advisory Committee on Administrative and Budgetary Questions (ACABQ) expressed concern regarding a number of the features of the planned reorganization of the Department and requested the Secretary-General to submit a report further elaborating and justifying the proposal.

4. In section II, paragraphs 1 to 3, of its resolution 48/230 of 23 December 1993 on revised estimates (sections 25, Administration and management, and 31, Office for Inspections and Investigations), while approving the proposals related to the establishment of the Office for Inspections and

Investigations, the General Assembly decided to continue the current arrangements as contained in the report of the Secretary-General pending review of the issue at its resumed forty-eighth session.

5. In section V, paragraphs 1 and 2, of the same resolution, the General Assembly took note of the Secretary-General's report on high-level posts (A/C.5/48/9 and Corr.1 and Add.1) and endorsed the observations and recommendations of ACABQ in its related report (A/48/7/Add.2), in particular the recommendation that the Secretary-General should resubmit his proposals for the senior structure of the Department of Administration and Management, taking into account the relevant views and decisions of the General Assembly and the need to elaborate upon and fully explain and justify those proposals.

II. STRATEGIC OBJECTIVES

6. The Secretary-General's initiative for the reorganization of the Department of Administration and Management is part of a wider effort towards a more effective, revamped Secretariat, providing improved services to Member States. The main aim has been to achieve a more responsive, cost-effective, streamlined Secretariat structure, comprising a limited number of departments, each headed by an Under-Secretary-General responsible to the Secretary-General, with focused and precise terms of reference relating to a well-defined set of functions, and with clear lines of responsibility and accountability. A related aim has been to eliminate duplication and to achieve a higher level of organizational performance through measures to enhance institutional collaboration and coherence, both within and between departments.

7. In this context, as stated in the previous report submitted to the Assembly (A/C.5/48/9, para. 10), the Secretary-General accords very high priority to the effective and coherent exercise of administrative and management functions. He considers improvements in this respect as crucial to enhancing the responsiveness of the Secretariat to the changing requirements of the Organization and to improving services provided to Member States and to other parts of the Secretariat, as well as ensuring a timely flow of information and effective consultations between Member States and the Secretariat. In this regard, the Secretary-General has taken into account the concerns expressed by Member States in the course of their consideration of both the regular and the peace-keeping budgets.

8. The work of the Department responsible for these functions has a direct impact on the activities of all other parts of the Organization. The Department has traditionally suffered from fragmentation and a lack of coordination among its constituent parts. It should instead be organized and operate in a manner that spearheads change and actively supports the transformation of the Organization.

9. Accordingly, the Secretary-General's proposal outlined in the present report seeks to achieve three strategic objectives:

(a) A department with clear lines of policy and operational responsibilities and accountability;

(b) An integrated department in which there is constant interaction between its constituent parts in order to permit budgetary, personnel and other interrelated managerial considerations to be taken collectively into account in decision-making;

(c) A lean, streamlined department with minimum levels of management consistent with the scope and depth of activity.

III. FUNCTIONAL RESPONSIBILITIES

10. The functions of the Department fall into three broad areas: finance, human resources and supporting services and facilities.

11. In all areas of finance - programme planning and budgeting; financial and treasury management; and accounting management - deadlines are pressing, and there is an increasing number of requests for information, analysis, explanation and justification whether from within the Secretariat or from various legislative bodies and other entities, as well as competing demands for services within the Secretariat. The rapid expansion of the peace-keeping activities of the Organization in recent years has led to vastly increased demands for administrative support services.

12. This has an impact on strategic planning and management for the finance function as a whole and requires an especially concentrated response from the top executive level. This consideration applies to organizational financing in general, but particularly to programme planning and budgeting, which are the means through which the Secretary-General conveys his vision and proposals to Member States for the activities of the Secretariat in terms that can be acted upon and measured.

13. Human resources management is now concentrated on recruitment and staff administration. Insufficient emphasis has been given to managerial requirements in areas such as staff training and development, executive resource identification and planning, as well as career management and development. The unprecedented number of staff serving in missions has introduced an important new dimension to these requirements.

14. Conference and support services involve essential facilitating functions of communication among Member States (conference services), as well as the provision of services for the Organization as a whole through facilities management, procurement and transportation, electronic support and security and safety. Each of these sub-areas, if not well managed and controlled, entails high risk for the successful functioning of the United Nations and the perception of the United Nations as an efficient Organization.

15. Finally, these three functions taken together are characterized, at present, as being loosely coordinated; greater integration and therefore enhanced coordination of the three major functions within the Department must be achieved.

IV. ORGANIZATIONAL RESPONSE

16. With the Secretary-General's strategic objectives in mind and taking into account the views expressed by ACABQ and the General Assembly, the Secretary-General hereby submits a revised managerial structure for the Department. The structure would comprise the Under-Secretary-General for Administration and Management, supported by three assistant secretaries-general for programme planning, budget and accounts; human resources management; and conference and support services, respectively.

17. The objective of clear lines of responsibility and accountability requires, in the first instance, a clear definition of the authority and scope of responsibilities of the Under-Secretary-General in relation to each of the functions entrusted to the Department, as well as in relation to those of the assistant secretaries-general supporting him.

18. The Secretary-General regards the Under-Secretary-General as the official primarily responsible for assisting and advising him in policy-making in all areas of financial, personnel and support services management, and fully accountable to him for the effective implementation of policies in each of these areas.

19. This implies, in the first instance, that the Under-Secretary-General will exercise overall responsibility for the management of United Nations financial resources. In this regard, it is intended that the Under-Secretary-General will assume direct line responsibility for financial management and control. This will ensure that the Under-Secretary-General is substantively involved in the management of United Nations financial resources, including the funding of the Organization, a critical concern of the Secretary-General and Member States in recent years.

20. In the area of human resources management, the Under-Secretary-General will exercise overall policy control for the effective implementation of the decisions of Member States and the directives of the Secretary-General, as well as furthering the crucial coordination of personnel and financial policies.

21. The Under-Secretary-General's responsibilities will also include policy oversight for the effective delivery of support services to Member States, the Secretariat and other entities, including ensuring essential linkages with other departments in areas such as procurement.

22. Thus, the Under-Secretary-General, as the official ultimately accountable, will be actively involved in each functional responsibility and serve as the collective leader rather than merely as the head of the Department.

23. The objective of accountability and responsibility is furthered by the designation of three assistant secretaries-general who, in addition to assisting the Under-Secretary-General in overall policy-making, will serve as operational managers in their respective areas.

24. One assistant secretary-general, the Controller, will focus on the subfunctions of finance relating to programme planning and budgeting, which

includes close and continuous monitoring in the expanding area of peace-keeping financing, and accounts.

25. The Assistant Secretary-General for Human Resources Management will serve as the operational manager for personnel administration and carry forward the needed reforms to strengthen staff training, resource identification and planning and career management and development.

26. The Assistant Secretary-General managing conference and support services, including development and implementation of the Integrated Management Information System (IMIS), will be assisted in his managerial responsibilities by two deputies at the director level responsible for supervising the two large services involved on a day-to-day basis.

27. The strategic objective of integration of these functions is advanced in organizational terms by key senior managers working closely together i.e. participating collectively in policy determination, understanding and dealing with conflicting demands and pressures, ordering priorities and monitoring performance and follow-up.

28. Thus, as a further means for the integration and coordination of the three functions covered by the Department, it is intended to establish, at the highest level, a consolidated "front office" comprised of the Under-Secretary-General and the three assistant secretaries-general, with supporting staff. This organizational device will help to foster integration through common planning, easy and frequent cross-functional communication and the development of a collective sense of accountability and responsibility for the total strategic effort, not just parts of it.

29. The strategic objective of a lean, streamlined department has been the focus of restructuring since 1992 with the number of senior posts (D-2 level and above financed from the regular budget) reduced during this period from 19 in 1992 to 15 with the present proposal. Vis-à-vis the previous proposal, while an additional assistant secretary-general position is proposed for the human resource management function, the overall number of senior posts remains at 15. The organization outlined in the present report preserves a lean management structure, while ensuring that the restructured Department will be responsive to the needs of the Organization and its Member States.

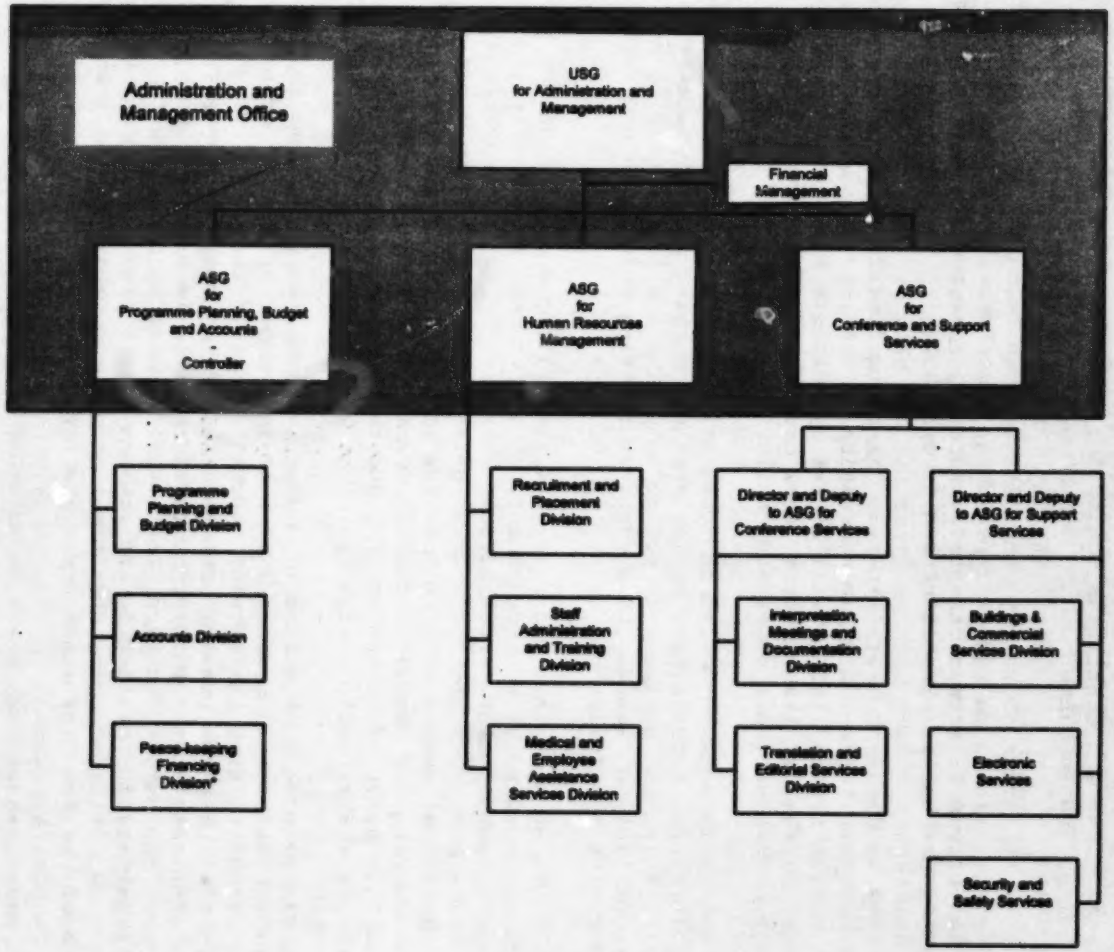
30. An organizational chart is attached as annex I. The implications for the staffing table of the Department are set out in annex II.

Annex I

PROPOSED ORGANIZATION OF THE DEPARTMENT OF ADMINISTRATION AND MANAGEMENT

Mission:
Policy development, coordination and integration for three functions: finance, human resources and services and facilities

Mission:
Operations, ASG-level office head


Administration and Management Office
USG for Administration and Management
Financial Management
ASG for Programme Planning, Budget and Accounts - Controller
ASG for Human Resources Management
ASG for Conference and Support Services
Programme Planning and Budget Division
Accounts Division
Peace-keeping Financing Division*
Recruitment and Placement Division
Staff Administration and Training Division
Medical and Employee Assistance Services Division
Director and Deputy to ASG for Conference Services
Interpretation, Meetings and Documentation Division
Translation and Editorial Services Division
Director and Deputy to ASG for Support Services
Buildings & Commercial Services Division
Electronic Services
Security and Safety Services

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* Financed from the peace-keeping support account.

Annex II

PROPOSED STAFFING OF THE DEPARTMENT OF ADMINISTRATION AND MANAGEMENT AT THE SENIOR LEVEL

1. The proposed restructuring of the Department of Administration and Management calls for 15 senior-level regular budget posts (D-2 and above); the same number would have been required for the original restructuring proposal submitted in document A/C.5/48/9 and Corr.1 and Add.1. By its resolution 48/230 of 23 December 1993, the General Assembly, in effect, authorized only 14 senior level posts financed from the 1994-1995 programme budget since the redeployments proposed by the Secretary-General were not approved pending submission of the present report.

	Original proposal	Current proposal	1994-1995 budget
USG	1	1	1
ASG	2	3	4
D-2	12	11	9
Total	15	15	14

2. As a result, there is one less D-2 in the general services area than prudence dictates. In addition, one of the four assistant secretary-general posts has been temporarily redeployed to the Office for Inspections and Investigations following approval by the General Assembly of the Secretary-General's proposal to establish that Office (see resolution 48/230), further reducing the number of available posts in the Department of Administration and Management financed from the programme budget to 13.

3. Within the Department of Administration and Management, the 15 senior-level posts requested in the current proposal would be distributed as follows:

Functional areas	USG	ASG	D-2	Total
Office of the USG	1		1	2
Prog./budget/accounts		1	2	3
Human resources		1	3	4
Conf. and support services		1		1
Conference services			3	3
support services			2	2
Total	1	3	11	15

4. As indicated above and in accordance with paragraph 19 of the present report, the Division of Financial Management and Control with the treasury functions will be redeployed to the Office of the Under-Secretary-General.

5. The temporary redeployment of the assistant secretary-general post to the Office for Inspections and Investigations (section 31) needs now to be formally approved as well as the proposed redeployment to the Department of Administration and Management (section 25) of two D-2 posts, one from the Department of Political Affairs (section 3) and the second from the Department for Development Support and Management Services (section 10) to arrive at the 15 senior-level posts that are necessary for the efficient management of the Department as explained in the present proposal without a net increase in the overall number of senior-level posts in the Secretariat. These redeployments, which would result in savings of US$ 56,700, are illustrated below:

Section	ASG	D-2	Total	Thousands of United States dollars
25 Department of Administration and Management	(1)	2	1	232.9
3 Department of Political Affairs	-	(1)	(1)	(327.8)
10 Department for Development Support and Management Services	-	(1)	(1)	(271.1)
31 Office for Inspections and Investigations	1	-	1	309.3
Net change	-	-	-	(56.7)